



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON
THE ENHANCED 911 BOARD
FOR THE PERIOD OF
JULY 1, 2011 THROUGH JUNE 30, 2012

SUBMITTED TO
THE TWENTY-SEVENTH LEGISLATURE
IN RESPONSE TO SECTION 138-6, HAWAII REVISED STATUTES

**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON THE ENHANCED 911 BOARD
FOR THE PERIOD OF JULY 1, 2011 THROUGH JUNE 30, 2012**

Pursuant to Section 138-6, HRS, the Enhanced 911 Board (the Board) is required to submit an annual report to the legislature no later than twenty days prior to convening of each regular session. The Enhanced 911 Fund is comprised of monthly surcharges imposed on every commercial mobile radio and VoIP service connection. For the purposes of this report, the Enhanced 911 Fund will be referred to as “the Fund”, the Public Safety Answering Points as “PSAPs”, the Wireless connection service providers as “WSPs”, and the Voice over Internet Protocol connection service providers as “VoIPs”.

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I. Executive Summary

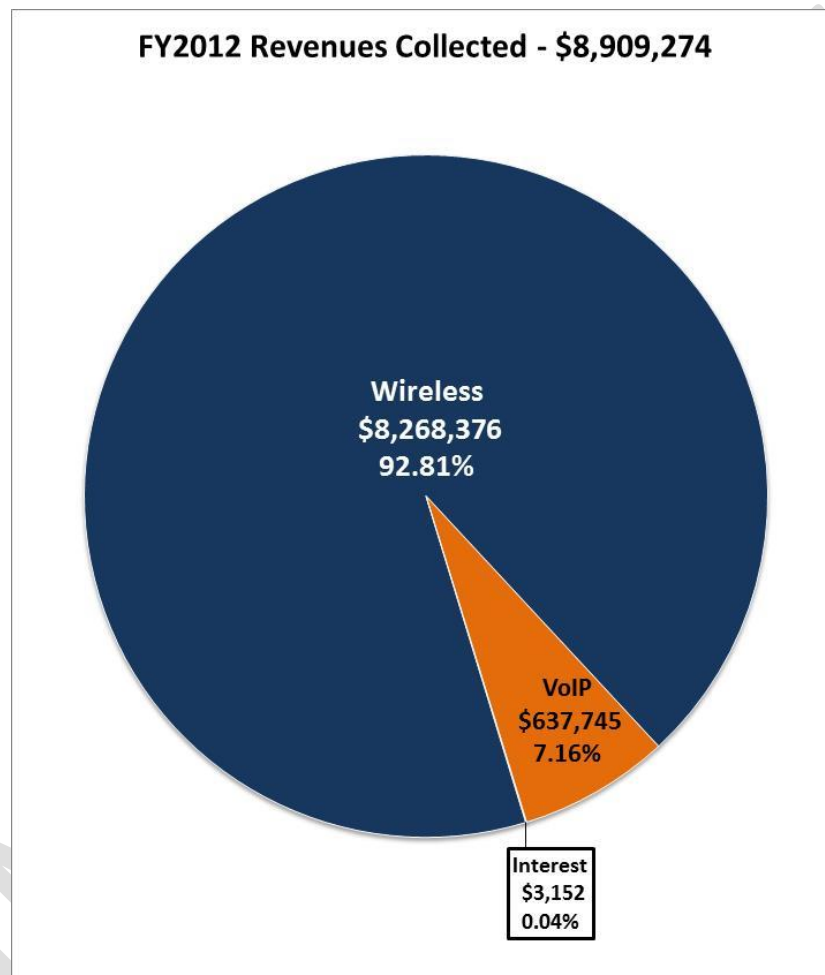
Act 168/SLH 2011 (the Act) created an Enhanced 9-1-1 Board (the Board on June 27, 2011 which is administratively attached to Department of Accounting and General Services (DAGS). The Enhanced 9-1-1 Board supersedes the Wireless Enhanced 9-1-1 Board created by Act 159/SLH 2004.

The purpose of the Enhanced 9-1-1 Board is to manage, administer, provide technical expertise and perform fiscal duties necessary for the collection of 9-1-1 surcharge tax revenue. The Board manages distribution of the Enhanced 9-1 Fund in accordance with the law to the six primary and three secondary county public safety answering points in Hawaii and the wireless carriers providing service to the public. The Enhanced 9-1-1 Fund is established outside the state treasury as a special fund.

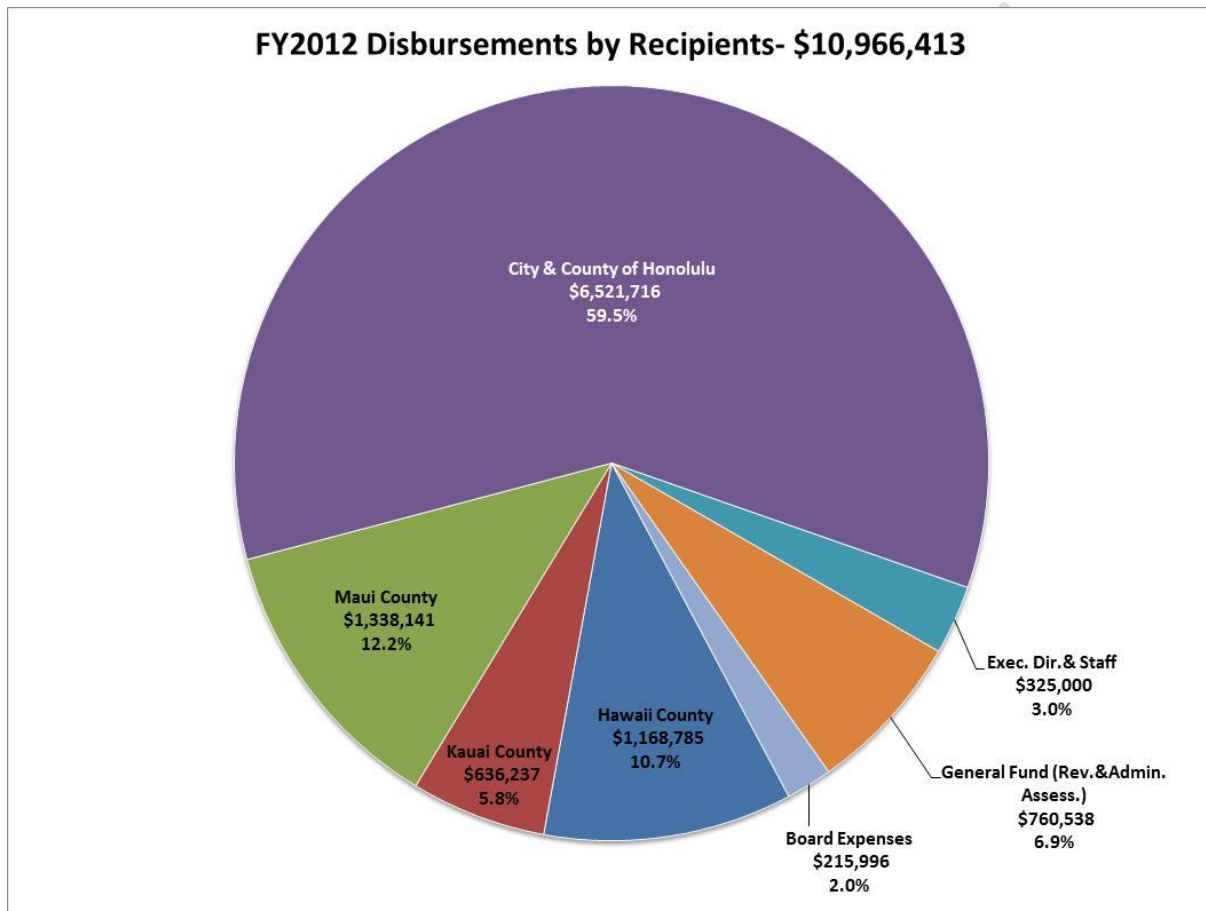
The Enhanced 9-1-1 Board is comprised of thirteen members appointed by the Governor. The members of the Board represent each county, three wireless service providers, Hawaiian Telcom, with two permanent seats including the State Department of Consumer Affairs and the State Comptroller. The current board members are:

Clayton Tom, Deputy Chief Maui County Police, Board Chair
Roy Irei, General Manager T-Mobile, Board Vice Chair
Gordon Bruce, City and County of Honolulu, Chair Communications Committee
Victor Ramos, Assistant Chief, Molokai, Chair Technical Committee
Kiman Wong, General Manager Oceanic Time Warner, Chair Finance Committee
Mark Begley, Assistant Chief, Kauai County
Ryan Freitas, Director Network Reliability Hawaii Telcom
Bart Huber, Assistant Chief, Honolulu Police Department
Marshall Kanehailua, Assistant Chief of Police, Hawaii County
Steven Schutte, Government Account Executive Verizon Wireless
Su Shin, VP Waimana Enterprises
Jeffrey Ono, Director State Department Consumer Affairs
Dean Seki, State Comptroller

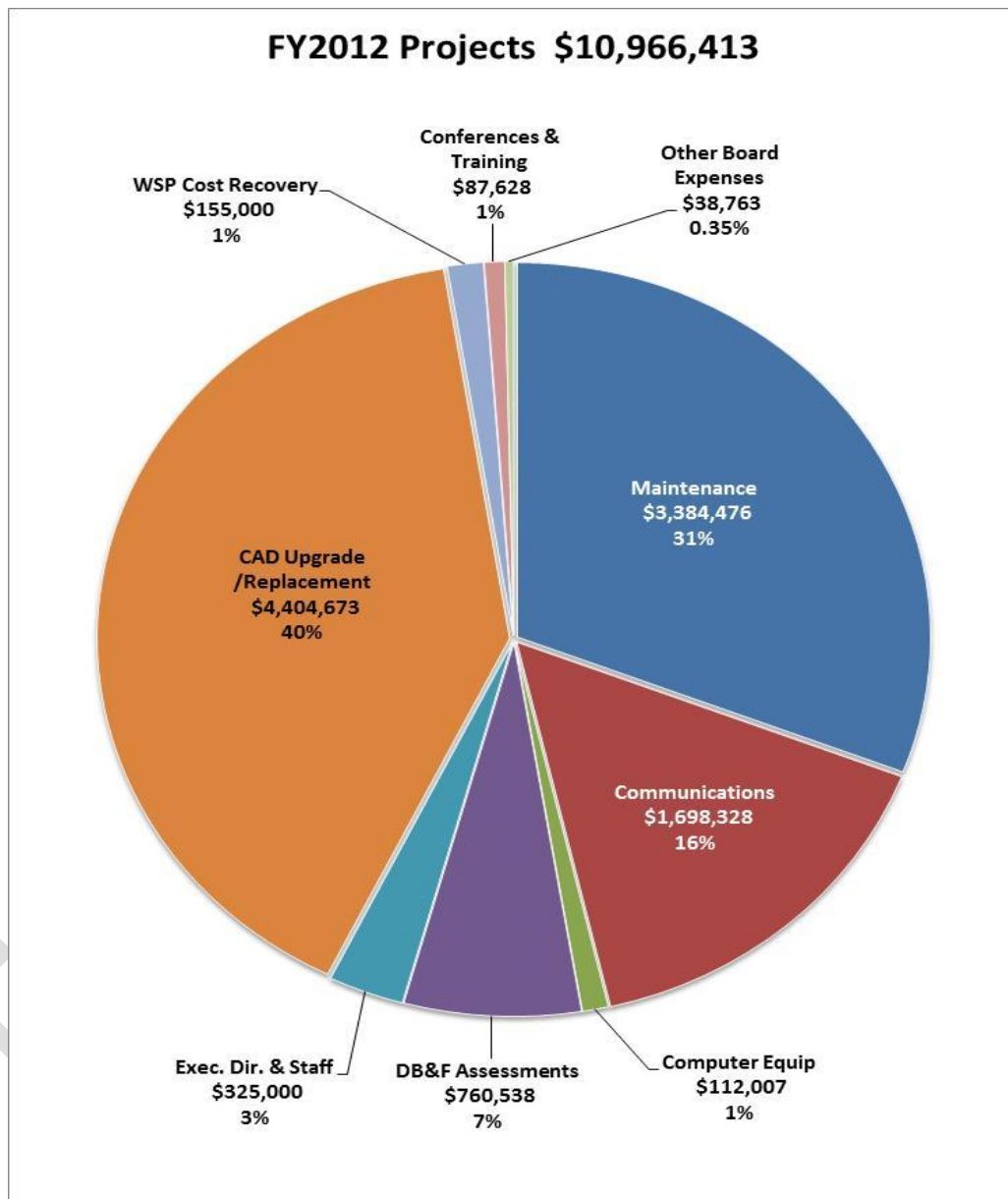
II. The total aggregate surcharge collected by the E911 Fund in the last fiscal year.



III. The amount and recipient of the disbursements from the E911 Fund in FY2012.



IV. A description of the projects for which the money was disbursed in FY2012.



Projects descriptions:

Category	Amount	Description of Disbursements	Payee
Computer Assisted Dispatch (CAD) Upgrades	\$ 4,404,673	C&C of Honolulu County is undergoing modernization of its CAD systems for HPD & HFD to continue to provide first responders with the services necessary to assist in the rescue of its endangered citizens and visitors.	OAHU PSAP
		Maintenance	
Program Mgt. Consulting Services	\$ 1,704,120	Akimeka, LLC provides continued Wireless E911 Program Management Services and Geographic Information Systems Services for the neighbor island counties of Hawaii, Maui and Kauai. The services rendered include: 1. Program mgmt. support. 2. PSAP Day-to-Day Operational support. 3. Geographic Information System (GIS) services. 4. Master Street Address Guide (MSAG) services. 5. Database synchronization. Benefits include: 1. Up-to-date location information on emergency calls received by the respective dispatch center. 2. Current GIS information. 3. Coordination for implementation and testing of new additions to the network with wireline, wireless, VoIP and Telemetrics service providers. 4. Dealing with only one company with which to coordinate activities and issues.	Hawaii, Maui, Kauai and Oahu PSAPs
Imagery Data Base	\$ 1,259,913	Pictometry software is a powerful tool for the first responder which provides detailed imagery of every square foot of a region and can navigate quickly and easily between views of a map to images associated with its specific features contained within images such as doors, manholes, fences, and fire hydrants. With this capability, first responders may be directed to the emergency in the most direct route and in the case of high rise buildings, the software will acknowledge any obstacles that may impede a rapid response.	Hawaii, Maui, Kauai and Oahu PSAPs
Computer Hardware and Software Maintenance	\$ 420,443	Maintenance support from vendors is essential to keeping hardware and software running efficiently and providing immediate troubleshooting support.	Hawaii, Maui, Kauai and Oahu PSAPs
	\$ 3,384,476	Subtotal Maintenance	
		Communications	
Telecom Service Connections	\$ 1,690,789	Hawaiian Telcom tariff, network and equipment costs necessary to receive Enhanced 911 calls by the PSAPs	Hawaii, Maui, Kauai and Oahu PSAPs
EMS Tower Lease	\$ 7,539	EMS tower lease and network connection between EMS facility at the airport to the City's data center at the FASI Municipal Building to connect the EMS PSAP with other Oahu PSAPs in the sharing of data and information	Oahu PSAP
	\$ 1,698,328	Subtotal Communications	

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Category	Amount	Description of Disbursements	Payee
		DB&F Assessments	
Revenue Assessment	\$ 445,464	Dept. of Business & Finance Revenue Assessment : Authorized under §36-27, HRS. 5% of total revenue.	State of Hawaii General Fund
Administrative Assessment	\$ 315,074	Dept. of Business & Finance Administrative Assessment: Authorized under §36-30, HRS; 2.8% of total E911 Fund disbursements.	State of Hawaii General Fund
	\$ 760,538	Subtotal DB&F Assessments	
E911 Executive Director & Staff	\$ 325,000	The Executive Director Contract was approved by the E911 Board of Directors to provide essential support to the Board which includes: 1. Accounting 2. Surcharge revenue collection services 3. Banking relations 4. Drafting Legislation 5. Board & Committee Agendas and Minutes 6. Supervision of Audits 7. Cash Disbursements 8. Record keeping 9. Creating and maintaining E911 website 10. Provide expert counsel on E911 issues 11. Budget & Planning 12. Strategic Planning.	TKC Consulting Group, LLC
WSP Cost Recovery	\$ 155,000	WSP Cost Recovery: Authorized under §138-5 HRS, requires that 1/3rd of the net proceeds of the WSP surcharge revenue (after Board administrative expenses) are to be set aside for potential cost recovery claims by the WSPs and VoIPs.	Sprint/Nextel
Computer Equipment	\$ 112,007	Computer equipment required to support the receipt and dispatch of wireless/VoIP 9-1-1 calls and related data.	Maui and Oahu PSAPs
Conferences & Training	\$ 87,628	Conferences and training provides the PSAPs with an effective opportunity to stay abreast of national standardization efforts and training with regards to day-to-day operational 9-1-1 issues impacting their PSAPs, specifically with regards to new and emerging technologies. In addition, it provides networking opportunities with subject matter experts and fellow PSAPs in the US and worldwide.	Hawaii, Maui, Kauai and Oahu PSAPs

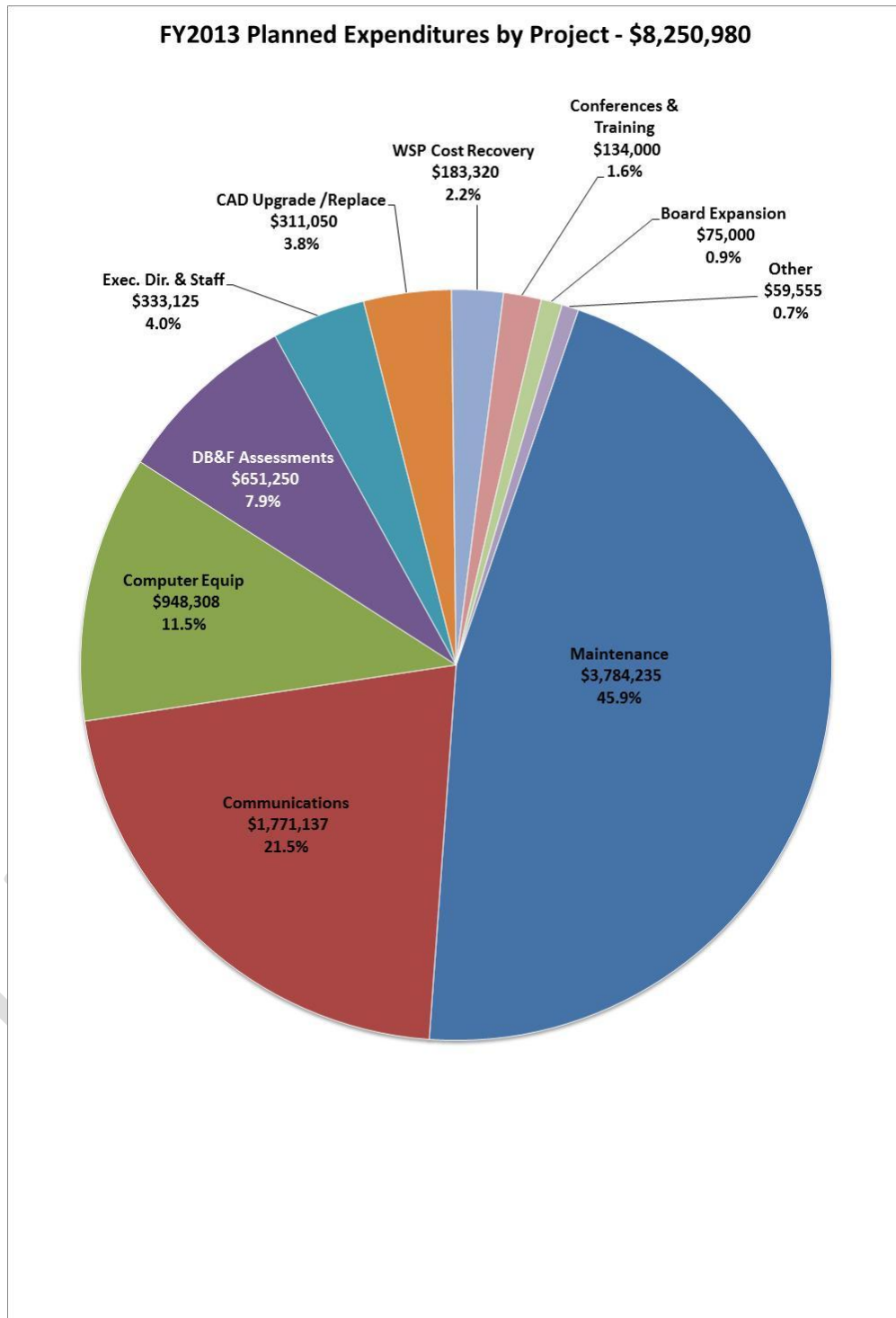
Category	Amount	Description of Disbursements	Payee
		E911 Board Administrative Expenses	
<i>Board of Directors Admin Expenses:</i>	\$ 25,989	Board & Committee Member Travel Expense (interisland) for required attendance of neighbor island PSAPs at the Board and sub Committee meetings held in Honolulu.	Hawaii, Maui, Molokai, Kauai PSAPs
	\$ 12,042	Independent CPA Audit services to perform a annual audit in accordance with generally acceptable accounting principles (GAAP).	PKF Pacific Hawaii LLP
	\$ 100	Membership Dues - NENA, a professional organization for the technological advancement, availability, and implementation of a universal emergency telephone number system.	NENA
	\$ 200	Parking permits for Board and Committee members to attend meetings at State buildings.	State of Hawaii
	\$ 180	Board & Committee Meeting Room Rental	C&C of Honolulu
	\$ 180	Electronic Signature Software to allow bank check signatories to approve disbursements remotely.	Docusign
	\$ 72	E911 Fund Bank Charges	First Hawaii Bank
	\$ 38,763	Subtotal Board Administrative Expenses	
	\$ 10,966,413	Total Disbursements	

V. The conditions, if any, placed by the board on disbursements from the E911 Fund.

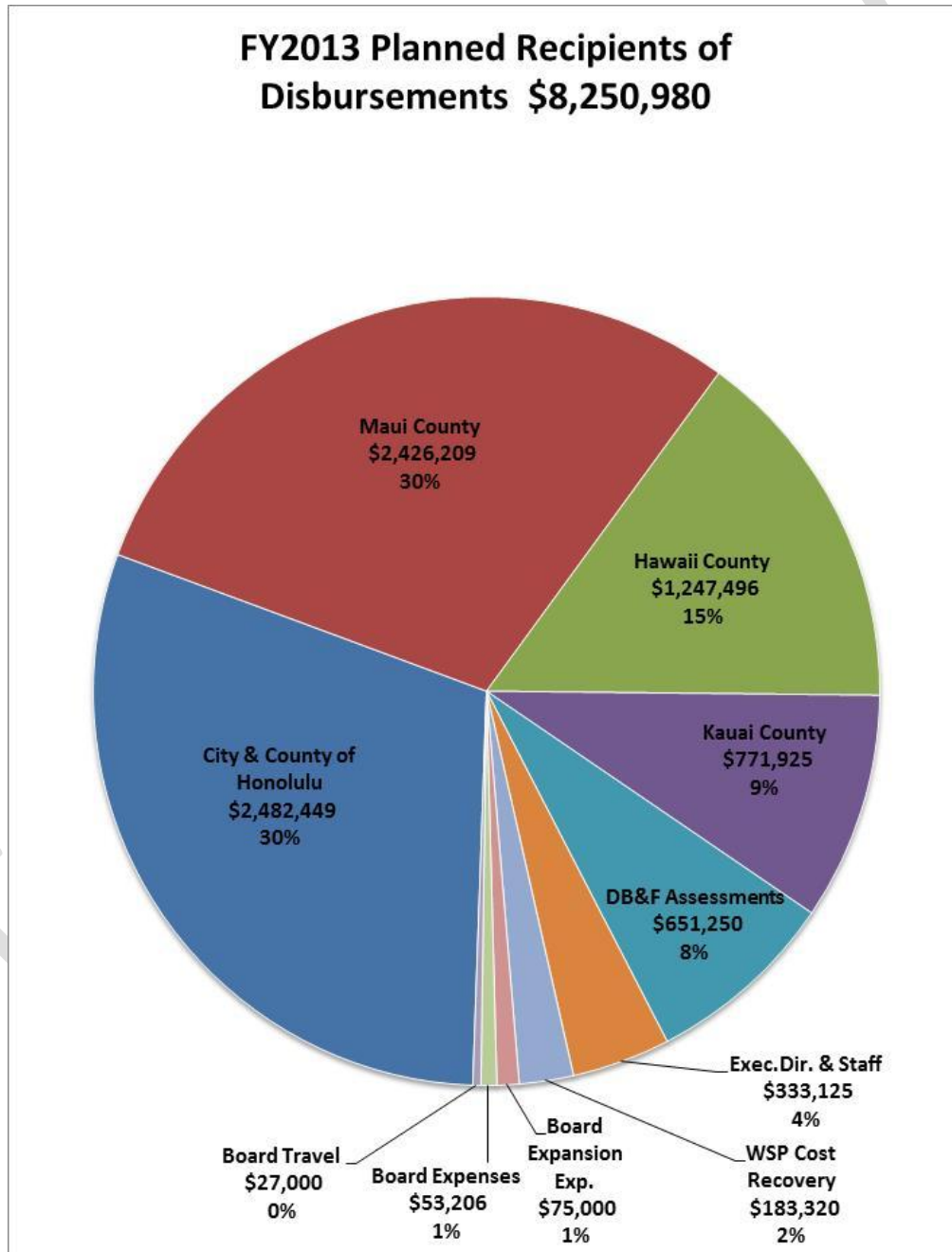
The Board has implemented policies and procedures for the PSAPs, WSPs, VoIPs and approved vendors seeking reimbursement from the E911 Fund. The Board requires the following for disbursements:

1. Be permitted under Hawaii State statute.
2. Have sufficient funds available for disbursement.
3. Be reviewed and approved by the Technical and/or Finance Committee subject to final approval by the Board.
4. Final approval by the E911 Board.
5. Approval for payment by the Board Chair, Finance Committee Chair and Executive Director. Signed approval from 2 of the three individuals mentioned.
6. A valid invoice or receipt of payment approved by the appropriate PSAP authorized official(s).
7. The disbursement check must be signed by 2 Board approved signatories.
8. All disbursements are subject to audit.

VI. The planned expenditures from the E911 Fund for FY2013.



VII. The planned recipients of disbursements from the E911 Fund in FY2013.



VIII. The amount of any unexpended funds carried forward for FY2013.

Cash Flow:	FY2012 Actuals
Beginning Cash	13,028,477
Cash Receipts	8,909,277
Cash Disbursements	(7,413,741)
Encumb. FY2011	(3,664,474)
Ending Cash	10,859,539
Total Encumbrances	(5,246,850)
Total Unencumbered Cash	5,612,689

The total amount of unexpended E911 Funds carried forward for FY2013 was \$10,859,539. However, unexpired encumbrances at the end of FY2012 amounted to \$5,246,850 which reduced the unencumbered cash amount to be carried forward to FY2013 to \$5,612,689.

IX. A cost study to guide the legislature towards necessary adjustments to the fund and the monthly surcharge.

A majority of the E911 strategic budget plan funding is necessary to modernize the current voice-based 9-1-1 systems aging equipment and software in order to meet or exceed the PSAP public safety goals and the continuing training needs of the PSAPs to keep abreast of technological changes.

The State of Hawaii is part of the national movement to transition to Next Generation 911 system to significantly improve emergency response, saving lives and reducing property damage. NG9-1-1 enables the public

to send texts, photos, videos, and other data to 9-1-1 centers just as the public is able to communicate with each other today. Consequently the Board has chosen to conserve cash in anticipation of this cash outflow as a result of the transition to NG9-1-1.

Due to the uncertainty associated with the transition to this new emergency response system and the increased revenue collections due to the enactment of Act 168(11), we continue to recommend the existing rate remain at the current level for the fiscal year.

X. A status report of jurisdictional capabilities for enhanced 911 services, including public safety answering points and communications service providers.

All requirements of FCC Order 94-102 have been met by the Public Safety Answering Point (PSAPs), Wireless Service Providers (WSPs) and the Local Exchange Carrier (LEC). The State of Hawaii is currently Phase II capable throughout the state and each PSAP has the capability to make useful the data elements being transmitted by the WSPs and delivered by the LEC. All WSPs (AT&T, Mobi-PCS, Nextel, Sprint, T-Mobile, and Verizon) are providing Phase II services in all Counties and Jurisdictions and are only limited by coverage, RF interference, and terrain anomalies. The WSPs continue to expand their existing networks by adding additional sites in each of the Jurisdictions at a steady pace. Some of the WSPs have tripled the number of communications sites and sectors on the Neighbor Islands within the State of Hawaii since the original deployment of the Phase II service. Advancements in technology in the wireless industry have also placed demands on the PSAPs by WSPs deploying new and improved networks that support broadband capabilities such as the wireless 3G, 4G, and LTE Wireless technology networks deployed by most of the WSPs.

The State of Hawaii Wireless 911 service has graduated from a wireless Phase II maintenance phase to Wireless Phase II expansion and New Wireless Technology implementation phase. This wireless expansion phase has opened the door for the PSAPs to start receiving New and Emerging Technology 911 services such as Voice over Internet Protocol (VoIP) and Telematics emergency services. These new 911 services are already being delivered to one of the PSAPs and introduced to others within the State. The PSAPs have responded in an expeditious manner to keep pace with the demands for keeping pace with the New Technologies. As such, the

primary activities being undertaken by the PSAPs have been concentrated on bringing all their 9-1-1 databases into i3 compliancy for the New Next Generation 9-1-1 service implementation. The PSAPs must perform these database synchronizations and GIS improvements in order to improve location accuracy and to improve the dispatch of 9-1-1 resources efficiently and effectively.

The Wireless E911 Board is now the Enhanced 9-1-1 Board with the passage of HB 1000 and the Governor signing Act 168 (11) into law June 27, 2011. This established a single entity to administer enhanced 9-1-1 services for the State along with expanding board membership. The broadening of scope for the Enhanced 911 Board's responsibilities provides the leadership to improve and modernize the current 9-1-1 system improving emergency response, saving lives and reducing property damage. The E9-1-1 Board has undertaken the responsibilities associated with the investigation and recommendations of preparing the State of Hawaii Strategic Plan for the migration of the State of Hawaii's E9-1-1 resources into the futuristic New and Emerging Technology 911 services referred to as Next Generations 9-1-1 (NG 911).

XI. FY2010-2011 Independent Audit Report Summary.

The E911 Fund has completed the transition from cash basis accounting to generally acceptable accounting principles (GAAP) or accrual basis accounting. In addition, the Enhanced 911 Board elected to undergo an annual independent CPA audit rather than a biennial audit as required by §138-7(b), HRS.

The latest audit which covered the period from July 1, 2011 through June 30, 2012 achieved an unqualified opinion which confirms that the E911 Fund is being managed in accordance with §138, HRS.

XII. Glossary of Terms

ALI – Automatic Location Identification
CAD- Computer Assisted Dispatch
CDMA-Code Division Multiple Access
GIS-Geographic Information Systems
GSM-Global System for Mobile
iDEN-Integrated Digital Enhanced Network
LEC-Local Exchange Carrier
NG9-1-1-Next Generation 9-1-1
PSAP-Public Safety Answering Point
VoIP-Voice over Internet Protocol
WBB-Wireless Broadband
WSP-Wireless Service Provider

FINAL REVIEW